

# **State of Alaska FY2010 Governor's Operating Budget**

## **Department of Administration Public Broadcasting - T.V. Component Budget Summary**

## Component: Public Broadcasting - T.V.

### Contribution to Department's Mission

To provide critical programs and public telecommunication services that informs and educates Alaska television viewers throughout bush, rural and urban Alaska; to ensure the infrastructure for the dissemination of non-commercial public television and related services.

### Core Services

- This component contains funding for basic operating grants to four private non-profit independently owned and operated public television stations that deliver public television programming to 87% of Alaska's population. These stations share a collective mission of providing un-served and underserved audiences with free over the air programming available to all Alaskans regardless of their ability to pay.
- These stations and their wide spread system of low power translators are a key component of Alaska's telecommunications infrastructure. The stations each provide at least 11 hours a day of educational programming aimed at pre-school and young children. In addition, each station produces important local and statewide programming, including Alaska Weather, Running, Anchorage Edition, Gavel to Gavel, as well as Alaska history, science and public affairs programs. These programs are not available fr
- Local ownership and local control of programming is a key element of Alaska's public television system. As mass media continues to consolidate ownership, the FCC is pushing the debate on the need for preserving and encouraging localism in broadcasting. These stations collectively make significant local programming contributions to viewers in Alaska. These stations work together to provide relevant local, regional and state news, information and general entertainment programming for all generatio
- Public television serves as a key component for emergency alert information in the state and works in partnership with Alaska Public Broadcasting, Inc to maintain the ARCS rural TV network for all of Alaska.

### FY2010 Resources Allocated to Achieve Results

<b>FY2010 Component Budget: \$527,100</b>	<b>Personnel:</b>	
	Full time	0
	Part time	0
	<b>Total</b>	<b>0</b>

### Key Component Challenges

Further diversification of non-state operating funds remains a high priority. In 1992, the State invested \$7.5 million in public broadcasting. In FY2009, the State invested \$3.4 million. Offsetting these losses is the biggest challenge facing public broadcasting in Alaska.

Even though Alaska's four public television stations have increased local fundraising, increases in the cost of doing business are escalating at a rate that cannot be offset by local private sector dollars in many Alaskan communities. Fixed costs, including sharply rising power generation, utilities and insurance costs, along with a dramatic increase in the cost of DTV transmission mandated (but unfunded) by Congress bring significant pressure to annual operating budgets and levels of service, in particular for the stations serving rural and bush communities.

Local, regional and statewide public affairs programming is being cut back as a result of the funding realities impacting both system revenue and expense. Staff sizes have been reduced proportionately with funding reductions leaving the stations ill-prepared to deal even with emergency broadcast information.

## Significant Changes in Results to be Delivered in FY2010

As required by federal law, public television now provides digital television broadcast services in Anchorage, Fairbanks, and Juneau. Meeting the mandated conversion has greatly increased operating expenses. The stations have been required to operate both analog and digital transmitters during the transition, and the costs for maintenance and software upgrades and support for DTV are significant.

Overwhelming concern exists about the impact of turning off analog television in Alaska on February 18, 2009. By percentage, more Alaskans watch television using an antenna than virtually anywhere else in the country. Fairbanks leads the way as the nation's number one over-the-air market for viewer ship. While stations are mandated by the FCC to cease broadcasting in analog next February, significant differences in broadcast coverage between analog and digital signals remain. Many Alaskan viewers who can receive a usable analog TV signal now will not receive the same stations in digital after the conversion unless significant funds are provided to enhance TV transmission sites. Estimates are that between 25 and 50% of Alaskans now watching over-the-air television will receive less service after February 2009. This concern has been expressed to the FCC, but without equipment funding, there is little that can be done. A loss of public television viewers translates to a loss of revenue as the stations rely on viewer contributions and corporate sponsors for a large portion of funding.

Using the capability of the digital spectrum, stations now provide additional public broadcasting services to viewers across the state. A year ago KAKM and KTOO started offering a second, all Alaska channel called 360 North, and KUAC in Fairbanks planned to launch two additional PBS services in November 2008. While the conversion to digital television has been a financial burden on each of the stations and has increased operating expenses, the new technology is providing opportunities for a dramatic increase in Alaska-based public service for young children, K-12 and college students and adult populations.

Public television will also experiment with low power digital multi channel services. KUAC TV, Fairbanks, and Alaska Public Broadcasting, Inc., will jointly fund a project that will convert one of KUAC's new digital translators into a multi channel digital service, taking advantage of the recent modifications in the satellite delivery system and new multi channel capabilities in digital television transmitters. This project will demonstrate the delivery via low power over the air transmitters (translators) of not only public television, University of Alaska distance delivery, ARCS, all via one transmitter. The same set top box being manufactured to assist full service television stations in providing multi channel services will work for the low power services as well.

Public television stations will continue to collaborate with each other and forge new partnerships with other Alaska institutions as a means to sustain and improve the level of local service while gaining cost savings and operational efficiencies. For example, the stations worked together to produce statewide televised debates prior to the 2008 elections.

## Major Component Accomplishments in 2008

Via the state's satellite infrastructure, public television stations provided non-commercial programs to Alaskan viewers statewide. In addition to outstanding educational and entertainment programs enjoyed by all generations (e.g. *Sesame Street*, *Independent Lens*, *Nova*, *Reading Rainbow*, *The News Hour*, *Nature*, etc), the public television system provides Gavel to Gavel Alaska, coverage of the legislature, televised coverage of all arguments before the Alaska Supreme Court, presentations before the Alaska legislature by the congressional delegation, the Chief Justice of the Supreme Court and the Governor. Public television also facilitates the statewide broadcast and distribution of distance education courses to a majority of Alaskans via UATV (University of Alaska Television) and the statewide distribution of ARCS (Alaska Rural Communication Service).

Public Television stations in Alaska partnered recently to produce the only live statewide debate for U.S. Senate and House races in Alaska providing critical decision-making information to voters across the state.

KYUK in Bethel continues to document the native experience and culture in Alaska with its most recent production "The Way We Genuinely Live." KAKM is partnering with a local filmmaker to produce a one-hour documentary entitled "For the Rights of All: The Alaska Civil Rights Story," co-presented with Native American Public Telecommunications. KUAC is in final phases of production for a new documentary; "Mr. Alaska: Bob Bartlett Goes to Washington." The program will focus on the Senator and his role in Alaska's early days of statehood. The program is

scheduled for broadcast statewide in spring, 2009 with national distribution following.

KUAC Fairbanks, KTOO Juneau and KAKM Anchorage are now all operating both digital and analog television transmitters. All three are providing enhanced multi-cast services on their digital transmitters and are now producing Alaskan programming in HDTV.

### Statutory and Regulatory Authority

AS 44.21.256-290      Alaska Public Broadcasting Commission  
2 AAC 55              Alaska Public Broadcasting Commission

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**Public Broadcasting - T.V.  
Component Financial Summary**

*All dollars shown in thousands*

	<b>FY2008 Actuals</b>	<b>FY2009 Management Plan</b>	<b>FY2010 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	527.1	527.1	527.1
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>527.1</b>	<b>527.1</b>	<b>527.1</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	527.1	527.1	527.1
<b>Funding Totals</b>	<b>527.1</b>	<b>527.1</b>	<b>527.1</b>

**Summary of Component Budget Changes  
From FY2009 Management Plan to FY2010 Governor***All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2009 Management Plan</b>	<b>527.1</b>	<b>0.0</b>	<b>0.0</b>	<b>527.1</b>
<b>FY2010 Governor</b>	<b>527.1</b>	<b>0.0</b>	<b>0.0</b>	<b>527.1</b>